DOCUMENT RESUME

ED 252 361 RC 015 119

AUTHOR	Wandschneider, Philip; And Others
TITLE	How a Community Decides to Issue Bonds. Municipal Bonds Series.
INSTITUTION	Oregon State Univ., Corvallis. Cooperative Extension Service.; Western Rural Development Center, Corvallis, Oreg.
SPONS AGENCY	Extension Service (DOA), Washington, D.C.
REPORT NO	WREP-62
PUB DATE	Dec 82
NOTE	9p.; For related documents, see ED 227 977-979.
AVAILABLE FROM	Western Rural Development Center, Oregon State University, Corvallis, OR 97331 ($.50).
PUB TYPE	Reports - Descriptive (141) -- Guides - Non-Classroom Use (055)
EDRS PRICE	MF01/PC01 Plus Postage.
DESCRIPTORS	*Bond Issues; Community Attitudes; *Community Development; *Decision Making; Definitions; Economics; *Elections; Leaders Guides; Legal Responsibility; *Local Issues; Political Issues; Voting
IDENTIFIERS	*Municipal Bonds; *Small Towns; Washington

ABSTRACT

Intended for local municipal officials and their advisors on public finance issues, this publication describes the legal environment surrounding bonds and examines some of the factors affecting the political feasibility of bond issues. Four categories of state controls of municipal bonds are discussed: limits on the amount of debt municipalities may incur; restrictions on the amount of revenue that may be committed to service debt; requirements for voter approval; and constraints on the characteristics of the bond itself. The publication reports the results of a survey in which 215 mayors (78 responded) of Washington cities and towns with a population under 10,000 were asked to rank factors which influenced the council and the population to approve or not approve a bond proposal in the last 5 years. Research results suggest several concrete actions that proponents (or opponents) of bond issues might take, e.g., stress the project's necessity for community well-being; anticipate and counter the tendency to fiscal conservatism among voters and officials; seek times of economic prosperity or low bond interest rates to attempt capital projects; and be sure that the appropriate officials are informed about the procedures for issuing bonds. A glossary of nine terms concludes the publication. (NQA)

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MUNICIPAL BONDS
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How a Community Decides to Issue Bonds

Philip Wandschneider, Ronald Faas, and Douglas Young

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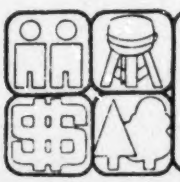

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(503-754-3621)

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Municipal officials and local citizens occasionally are called upon to make complicated decisions involving large sums of money to finance long-term capital facilities. When making these decisions, local officials must consider the economics of the proposed project and the financial implications of using different funding sources. (Other publications in the Municipal Bonds series may be helpful on this topic; see the list of titles at the end of this publication.)

But besides economic and financial considerations, there are legal and political issues. Will the proposed bond project meet legal and administrative requirements? Will the project be politicaliy acceptable—especially in this era of skepticism about public expenditures? When can a proposed bond issue have a reasonable chance of winning approval? Should a special election be called? What can proponents of bond issues do to have the bond viewed most favorably, and what information will help opponents carry their view?

This publication describes the legal environment surrounding bonds and examines some of the factors which affect the political feasibility of bond issues. It identifies factors which influenced decisions of both officials and voters in a study of small Washington towns' experience with bond financing.

This publication is addressed to local municipal officials and to those who advise them on public finance issues. It is one of a series reporting on original research findings about municipal bonds (see list of titles at the end of this publication). It is not a "how-to" guide on the procedures of issuing bonds. Information on issuing bonds is available in a number of other publications (see Lubov, 1979; Moak, 1970; Municipal Finance Officers Association, 1978a and 1978b).

The Legal Framework

Within our federal structure, towns and other local jurisdictions are the legal creatures of the states. That is, state law constrains all local government choice, including choices about municipal indebtedness. State laws, administrative rules, and court interpretations contain specific provisions governing bond issues. Because the legal issues are quite specific, and because they vary significantly between states, it is beyond the scope of this publication to provide detailed legal guidance. Local governmental officials are well advised to consult competent legal counsel. To provide some general background for discussion of community choice, however, the following paragraphs present some information on the major kinds of state restrictions.

Historically, state involvement in local financial affairs came in response to local government defaults. Starting in 1857, a pattern of defaults during depressions and "panics" led to increasingly stringent state controls. The pattern culminated in the Great Depression of 1929. Few defaults have occurred since World War II, but the restrictions remain in effect. Some argue that many of these restrictions are outdated (Ecker-Racz, 1970; Moak, 1970). In any case, local governments must make their choices in the environment of existing restrictions.

State controls of municipal bonds can be grouped into four categories: (1) limits on the amount of debt municipalities may incur; (2) restrictions on the amount of revenue that may be committed to service debt; (3) requirements for voter approval; and (4) constraints on the characteristics of the bond itself.

1. Limits on amount of debt and use of funds

An almost universal form of debt restriction is constitutional or statutory limitation on the amount of debt a municipality or other local unit may incur. Usually the limit is placed only on full faith and credit (general obligation) bonds. The debt limit is generaliy expressed as a percentage of a jurisdiction's assessed valuation, although occasionally it is expressed as a multiplier of revenues (e.g. in Connecticut). The assessed valuation base may be full or market value, locally established assessed value, or state equalized assessed value. Since assessed valuation may be a different fraction of market value for different states and even for different localities within states, be careful about comparing debt limits.

Limits on indebtedness often vary with use. Table 1 describes debt limits for municipalities in four western states. Debt for water and sewer uses most often have separate limits. Also, Colorado allows its "home rule" or chartered cities to establish their own limits.

States not only may see different limits for different uses, they may prohibit certain uses altogether. For example, the Idaho Supreme Court has interpreted Idaho law to prohibit local governments from issuing any bonds—general obligation or revenue—in support of private ventures (*Village of Moyie Springs v. Aurora Mfg. Co.*). In general, the state law which grants local governments the authority to issue debt usually has some provisions regulating the use to which that debt may be put. For instance, the Idaho state law mandates that revenue bonds cannot be issued to support works operated primarily for revenue, but can be issued to support works operated for the "use and benefit of the public and the promotion of health, safety, comfort and convenience of the inhabitants of the city" (Idaho Code 50-1028 (1967)). Washington law permitting general obligation bonds states that cities and towns may contract indebtedness for "strictly municipal purposes" (Revised Code of Washington 35.37.040).

2. Restrictions on revenues, tax rates, and spending

Another approach to limiting debt is to limit the revenue which can be used to service the debt rather than to directly limit the size of the total debt. The restriction may apply directly to the amount of revenue raised, to the tax rate which produces the revenue (the

State	Percent of Assessed Valuation	Purpose	Voter Approval Requirements
Colorado	3%	All purposes, water excluded from limit. Chartered cities may establish own limits.	Majority vote required on all bonds except certain refinancing bonds.
Montana	18% add'l. 10%	General purposes Water and sewer	Majority vote required on all bonds except certain refinancing bonds. 40% of qualified voters must vote.
Washington	2½% add'l. 2½% add'l. 2½%	General purposes Water, lights, sewer, parks Open land and parks	No approval required for first 3/4% (councilmatic bonds). Additional indebtedness requires 60% approval and 40% of last general election voting.
Wyoming	4% add'l. 4%	General purposes Sewer	All debt in excess of 1 year's revenue requires voter approval, simple majority.

Compiled by authors from review of laws in 1980 and interviews. Local officials should consult legal counsel for current laws. For data on all states, see ACIR 1976, pp. 46-53.

most common form), or to the expenditure of funds. For example, a law may prohibit government *revenues* from increasing by more than 2 percent a year; it may prohibit a tax *rate* higher than so many mills; or it may prohibit governmental *spending* from increasing faster than inflation.

Usually, revenue restrictions in any of these forms affect local finance through restrictions on revenues used for all purposes, although the restrictions may apply only to that portion of revenue allocated to the debt (more commonly, laws exclude the portion of revenue allocated to debt services). In the past, revenue restrictions of all forms have had little influence on indebtedness. The recent series of tax limitation laws and referendums have changed the stituation.

The most common restriction for general governmental finance is the tax rate limit. These limitations on local government property tax rates are a common feature of state laws (or constitutions). Normally, however, provisions for financing bonds are separate from those for financing day-to-day operations. For example, Washington restricts municipal property tax rates.[1] The regular levy limit can be exceeded either through special levies approved by voters or through bond levies which may or may not be voter-approved, depending on purposes, amount, and city government policy (see Table 1).

Recently, tighter tax limitations have been enacted by initiative or through legislatures acting under pressure of popular opinion. Proposition 13 in California is the most widely known case. Proposition 13, with a companion initiative (Proposition 4) and implementing legislation, limits tax rates and tax increases for *virtually all purposes*. Very few uses or jurisdictions are exempted.[2]

[1] City regular levy limit is $3.60 per $1,000 assessed valuation. Regular levy cannot produce revenue exceeding 106 percent of prior year, adjusted for new construction and improvements.

[2] Property taxes limited to 1 percent of market value with provision for extra to finance existing bonds only. Taxes cannot be increased by more than 2 percent per year. There are no provisions for override to finance new bonds. Proposition 4 limits spending regardless of source of revenue in use. Increases must be keyed to population changes or increases in the Consumer Price Index.

3. Requirements for voter approval

Requirements for voter approval are often associated with the restrictions on extent of indebtedness or restrictions on revenue available to service debt. Table 1 shows the voting requirements associated with debt restriction in four western states. As the table shows, requirements range from simple mandates for majority approval to complex formulas.

Washington law illustrates a number of typical features of voter approval requirements and how such requirements may interact with limits on allowable indebtedness. Washington law allows municipal governments to incur 3/4 of a percent of total asessed valuation in general obligation debt without submitting the issue to the voters. Such limited general obligation debt instruments are called councilmatic bonds. Debt beyond this level is quite strictly accountable to the electorate—requiring not only a 60 percent majority but the participation of at least 40 percent of the electorate voting in the last general election.

The overall situation in Washington is therefore complicated. The total 7 1/2-percent debt ceiling seems quite liberal. Indeed, a study of 16 small Washington towns found that an average of 93 percent of the allowable limit went unused (Rozell, 1977).[3] A check of records of larger cities also shows that municipalities typically have 80 to 100 percent of their allowable debt available (Washington State Auditor, 1976). On the other hand, the voter requirements for debt in excess of 3/4 of a percent clearly restrain the general obligation indebtedness. The state auditor's figures show that larger cities often have expended most of their "no vote required" debt limit. The results of a survey of Washington county auditors showed that 31 percent of small town municipal bonds failed to gain voter approval (Kliem, 1980).

4. Restrictions on the provisions of the debt instrument and the bond flotation process

In addition to restricting the capacity of local governments to incur debt, state governments also im-

[3] Seven of the towns had 100 percent of their debt capacity unused. The range was from 62 to 100 percent.

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State	Limit on Net Interest or Coupon Interest Rates?	Require Sale at Par or Above?	Limit Length of Issue?	Require Call Provision?	Require Term Bonds or Serial Bonds?	Require Validation or Registration?	Other
Colorado	None	Yes	≤ 30 years, water excluded	After 15 years	Serial	None	
Montana	7% on G.O. (NIC)		≤ 20 years	After 10 years	Law prefers amortization bonds; allows serial bonds	Must be approved by state attorney general	Municipalities cannot pay consultant fees on G.O. debt; winning bidder pays bond counsel and prints bonds
Washington	None	Yes	≤ 40 years, maximum is life of improvement		Serial	Optional court validation	A state finance commission determines amounts, dates, maximum interest, maturity, etc; it prints and issues bonds
Wyoming	10% (coupons) a. Statutory b. Constitutional	Yes	≤ 20 years, general purpose; ≤ 40 years, sewer		Term, require contributions to sinking fund	Require registration and approval	

[a]Constructed from a superficial survey of legal advisors, bond experts, and laws in four western states. The table is illustrative only and not to be construed as a complete representation of current law.

pose constraints on the features of the debt instrument. These restrictions may take many forms; it is imperative that municipalities contemplating debt financing know their own state law and seek competent counsel. Table 2 illustrates some of the major provisions states impose on a municipality's bond issue. (See also Moak, 1970; Municipal Finance Officers Association, 1978b). Another publication in the Municipal Bonds series, entitled "What Determines Bond Costs," considers the impact some of these provisions (maturity of issue and call provisions) may have on the interest cost municipalities must incur to sell debt.

Survey Results

Within the framework established by the state, community voters and their elected officials decide when to borrow for capital expenditures. Questionnaires were sent to the mayors of all Washington cities and towns with population under 10,000 to find out what factors contributed to the political feasibility of a bond proposal.[4] The survey obtained a response rate of 36 percent—78 of the 215 mayors responded. The distribution of mayors by town size and whether or not their town had participated in a bond issue in the last 5 years is as follows:

Town Population	No. of Responents	Percentage Attempting Bond Issue in Past 5 Years
0- 1,000	29	24
1,000- 5,000	38	55
5,000-10,000	11	64
Total	78	45

[4] A copy of the questionnaire can be found in Kliem, 1980.

The survey asked each mayor to rank factors which influenced (1) the council and (2) the population to approve or not approve any indebtedness in the last 5 years. Mayors whose councils had not submitted a bond proposal to the electorate for 5 years were asked to choose the four most important reasons for not submitting a bond proposal from a list of 11 potential reasons (space was also provided to add other reasons). Similarly, mayors whose councils had decided to submit a bond issue to the public were asked to rank the top 4 of 10 provided reasons. Combined scores for each reason were obtained by awarding each mayor's first choice 4 points, second choice 3 points, etc., and totaling the points. Table 3 shows the rankings obtained from the mayors' responses.

Some caution should be used when examining a survey like this. Asking mayors what they believe is an indirect method of discovering what factors influence the choices of community officials and voters. Mayors' answers no doubt reflect their own biases, their incom-

plete knowledge of the motives of others, and their faulty memory. However, mayors are also necessarily among the most informed and insightful members of the community; they work with other officials and stand for election by the voters. Therefore, since research resources did not allow questioning all officials and voters, the mayors were selected as key informants who would be knowledgeable about both other officials and voters.

Reasons for attempting or not attempting bond elections

What do these rankings reveal about the major issues officials consider when deciding whether or not to attempt a bond election? Three major factors are revealed by the especially strong rankings given the first two categories in each list.

- *Perceived need for project.* Not surprisingly, the simple fact that a project was deemed to be needed—such as a new fire station—topped the list of reasons for attempting a bond election. While one would expect that responsible officials would only advocate bonds to finance projects they felt the community required, it is surprising that "no need for capital project" was sixth on the list of reasons for not attempting a bond election. Therefore, some officials clearly feel their community has capital project needs, but other factors make it inadvisable to attempt a bond election.

- *Alternative financing.* A major issue determining local officials' willingness to place a bond issue before the public is the availability of alternate funds. The number-one ranking of availability of alternative financing for those not attempting bond elections suggests that many who perceive a need for capital projects go the way of federal or state grants or agency loans to finance the projects. Those who attempt the bond route feel they have no other attractive financing sources, as indicated by the strong number-two ranking given this reason.

- *Fiscal conservatism.* The high ranking given this reason, together with the low ranking given "no need for projects," might suggest that many officials feel that their community should not borrow—despite a perceived need for capital projects. Some related findings suggest that this reluctance to borrow is not due to financial prudence, but to a belief in a "pay-as-you-acquire" philosophy.[5] Hardly anyone mentioned "fear of default" as a reason not to borrow, and state law prevents municipalities from getting themselves too deeply in debt. In fact, few municipalities use anywhere near their legal debt capacity (see earlier description of state debt limitations).

These facts indicate that actual risk of default—even perceived risk of default—for most towns is quite small. The figures reinforce the idea that local officials are fiscally conservative for ideological rather than financial reasons. Perhaps in addition to reluctance to borrow, a reluctance to increase the scope of the public sector is part of the "fiscal conservatism" of local officials. This reluctance seems indicated in the current political mood, though no direct evidence from our study supports this speculation.

- *Financial reasons.* After the three major factors described above, financial reasons enter into council decisions. Ability to pay in the form of a "good property tax base" was the third-ranked reason for attempting a bond election, though it ranked much lower than those described above. A poor property tax base inhibited some who did not attempt bond elections. Also, financial factors affecting the cost of borrowing—such as low interest rates and high bond rating—were of some importance to those who attempted bond elections.

- *Bond expertise.* A surprising finding was that lack of knowledge of how to prepare bond issues was reported to have prevented some councils from attempting a bond election. Note that this reason was *more important than* the lack of need for a capital project! Clearly, many local officials feel a need for training in the procedures of debt financing, or for information about the resources available to help them.

[5] The term "fiscal conservatism" was not defined in the survey instrument.

Table 3. Reasons for attempting or not attempting bond elections

Rank	Reasons for Not Attempting	Score	Reasons for Attempting	Score
1.	Availability of alternative means of financing	86	Need for capital project	87
2.	Fiscal conservatism	83	No alternative financing source	73
3.	High interest rates	44	Good property tax base	32
4.	Poor property tax base	36	Low interest rates	29
5.	Lack of knowledge of preparing bond issues	31	Inability to shift costs to another jurisdiction	21
6.	No need for capital projects	26	No fear of default	16
7.	Other	18	High bond rating	12
8.	Statutory and constitutional restrictions	17	Had knowledge of how to prepare bond issue	11
9.	Desire to shift responsibility	14	Other	7
10.	Low bond rating	8	Lack of statutory and constitutional restrictions	6
11.	Fear of default	8	Low flotation costs	0
12.	High flotation costs	6		
	Number of respondents	41		31

SOURCE: Kliem, 1980, pp. 67 and 72.

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Voter attitudes

In the second part of the questionnaire, mayors were asked whether or not voter approval or disapproval could be attributed to each of a list of potential factors. Table 4 presents the survey results.

The first two reasons for voter approval have to do with information. Favorable publicity and council endorsement were by far the most important factors felt to influence the outcome. (Media support was cited less often, perhaps because the media sometimes takes contrary editorial positions.) Average voters are generally unfamiliar with the finances of their town; they must depend on others to digest the material and pass the information along in understandable form. Thus publicity and the endorsements of trusted leaders provide the basis for their decisions. Most town leaders are no doubt well aware of this fact.

The reasons-for-disapproval column of Table 4, however, appears to contradict this finding about the importance of information. Lack of media support, council support, or favorable publicity were not often listed as reasons for voter disapproval of bond proposals. Perhaps the mayors felt that there had been sufficient support for the proposal, but the reasons for disapproval—especially higher taxes—simply were much stronger.

As one would expect, fear of higher taxes figured in all defeated issues, according to the mayors. Economic conditions in general had a more modest influence, but still figured in 48 percent of approvals and 50 percent of failures. The mayors felt that timing of elections during better economic conditions could help gain passage for a bond issue.

Mobilization of the vote was also a factor. Voter apathy contributed to 50 percent of the failures, according to the mayors. High voter turnout helped 32 percent of the time.

The mayors also felt that voters, like their officials, sometimes voted against bond issues because of fiscal conservatism.

Finally, it is significant that six mayors cited perceived public need—even though this was not a listed category. Two typical mayors' comments were that the public always meets needs for the fire station, and that there was a "real need."

Bond election results

Besides the survey of small town mayors, bond election results were obtained on 56 bond elections from the county auditors in 11 of Washington's 39 counties (Kliem, 1980, pp. 135-136). A statistical analysis was performed, linking the percentage favorable vote on a bond issue to a number of possible influences. Table 5 shows the results. The factors considered for their possible influence on the vote were the population of the community, the proximity of the community to a metropolitan area, the size of the proposed bond issue, whether the election was a general or special election, and finally the type of capital project which the bond would finance (water and sewer, fire, or parks and recreation).

It was thought that perhaps small, rural towns might be more conservative than other communities. The study found neither size of the community, nor its location close to a large city (in a Standard Metropolitan Area, SMSA) had any influence on the chances of a positive vote. The finding regarding location in an SMSA supports the idea that rural towns are no more conservative on bond financing than suburbs.

Voters were found to be more apt to vote against a large (costly) bond issue than a small one, all other things equal. The statistical method used isolates the impact of each factor analyzed. For example, water and sewer issues tend to be large, but voters also tend to approve them as noted below. The result on size of issue suggests, however, that voters are more likely to vote for a smaller water issue than a larger one.

Voting on a bond issue during a general election was found to decrease its chance of success. This suggests that the more people who vote, the less

Table 4. Reasons for voter approval of bond issue, mayoral survey

Reasons for Approval[a]	Number Yes	Percent Yes	Reasons for Disapproval[b]	Number Yes	Percent Yes
Extensive favorable publicity of issue	22	88	Fear of higher taxes	10	100
Council support of issue	20	80	Voter apathy	5	50
Favorable economic conditions	12[c]	48	Fiscal conservatism	5	50
Media support (radio and newspapers)	9	36	Unfavorable economic conditions	5	50
High voter turnout	8[d]	32	Lack of media support (radio, TV, and newspapers)	2	20
Other[e]	7	-	Lack of council support	2	20
			Lack of favorable publicity	2	20
			Other[f]	2	-

[a] Number of respondents: 25 for approval.
[b] Number of respondents: 10 for disapproval.
[c] One "maybe."
[d] Two "maybe"s.
[e] Six answers cited public need; one cited sentiment to renovate historic building.
[f] Lack of public perception of need and feeling that others should pay were two "other" reasons.

SOURCE: Compiled by authors from data in Kliem, 1979, "Survey of Small Town Washington Mayors." Kliem, 1980, pp. 77 and 79 has similar table.

chance of passage for a bond issue; yet mayors said that voter apathy was a factor in 50 percent of the bond election failures. How can this contradiction be explained? The answer probably lies in the difference between pro and con voters. Pro voters are likely to be advocates of the particular project under consideration, such as a new fire station. Many con voters are likely to be simply against spending more money. In a general election, many voters turn out to vote for national officials. Some of these might not be interested in the specific bond issue project, but they vote no in order to reduce spending and hence keep taxes down. In a special election, voters must be motivated by the issue at hand; fewer of those who vote no to reduce spending will bother to come out. Therefore, if proponents can motivate those interested in the capital project, they will have a better chance of gaining approval for the project.

In short, the formula for increasing the chances of success for a bond election appears to be to have a special election, and work hard to inform and motivate the interested population.

A final result of the statistical study is that water, sewer, and fire issues are more likely to be approved than general municipal issues (such as a new city hall); parks and recreation issues are less likely to pass. This result suggests that voters differentiate between necessity and luxury projects. Bond proponents should portray the project as a necessity; bond opponents should try to portray the project as a luxury.

Table 5. Statistical analysis of factors influencing a community's positive vote in a bond issue election.

Potential Influence	Impact on Vote
Population size	0
Bond issue size	-
Community in SMSA?	0
General election?	-
Water, sewer issue?	+
Fire issue?	+
Park & recreation issue?	-

KEY: - Factor found to reduce favorable vote.
0 Factor found to have no impact on the vote.
+ Factor found to increase the chances of a favorable vote.

SOURCE: Statistical analysis performed by authors on data reported in Kliem, 1980. A technical discussion of the statistical results can be found in Wandschneider and Kliem, 1981, available from the authors on request.

Conclusions

This publication should help local officials and their advisors decide which potential bond issues are legally and politically feasible and which are not. Although many factors are beyond the local officials' control, it is wise to be informed about what could influence bond decisions. (Bond issue opponents can also use this publication to plan contrary strategies by reversing the recommendations.)

The research results suggest several concrete actions that proponents (or opponents) of bond issues might take. Bond issue proponents should:

- Stress the necessity of the project for community well-being.
- Anticipate and counter the tendency to fiscal conservatism among voters and officials. The project must be recognized as a legitimate and important activity of town government. The community must be convinced that the project is affordable and that no better alternative source of funding is available. A successful bond issue requires community awareness of need, legitimacy, and financial feasibility.
- Obtain support of local officials and other influential citizens and widely publicize their support of the issue.
- Target publicity to motivate those interested in a particular project; make them feel personally involved in the success of the campaign.
- Seek times of economic prosperity or low bond interest rates to attempt capital projects. Publicizing the potential cost savings during periods of low interest rates may be another strategy.
- When possible, use off-year elections for bonds. Of course, it costs more to hold a special election and the trade-off must be evaluated.
- Be sure that the appropriate officials are informed about the procedures for issuing bonds. Expert advice should be sought early in the consideration of a project.

Glossary

Bond: A written promise to pay a specified sum of money (called the face value or principal amount) at a specific date or dates in the future (calld the maturity date or dates), together with periodic interest at a specified rate. The difference between a note and a bond is that the latter runs for a longer time and requires greater legal formality.

Bond counsel: An attorney retained by the municipality who assures the purchaser that the bond was legally issued. The bond counsel's approving opinion is printed on each bond and states that in his opinion the municipality has complied with all legal requirements and that interest paid on the bonds is exempt from income tax. Without such an opinion the bonds are not marketable.

Councilmatic bond: A general obligaton bond that may be issued by an elected governing body without voter approval. So called because in Washington State limited general obligation bonds can be issued by a majority vote of the town council.

Debt limit: The maximum amount of debt that a governmental unit may incur under constitutional, statutory, or charter requirements. The limitation is usually some percentage of taxable valuation and may be fixed upon either gross or net debt. The legal provision in the latter case usually specifies what deductions from gross funded debt are allowed to calculate net debt.

Flotation costs: Costs that must be paid at or before the time of offering rather than over the life of the bond. These costs include

fees to bond attorneys and financial advisors, bond and prospectus printing, and the cost of having a bond rated.

Full faith and credit: A pledge of the general taxing power of a government to repay debt obligations (typically used in reference to bonds).

General obligation bond: A bond for which the full faith and credit of the issuer has been pledged for payment.

Rating: A formal judgment as to the creditworthiness of a debt instrument.

Revenue bonds: Bonds issued to provide the capital for financing revenue-producing assets or activities. Revenue bond interest and amortization normally is paid from the revenues generated by the enterprise. Debt service is not guaranteed by the full faith and credit of the municipality; therefore, if there is a default, the issuer is under no obligation to make payments from general revenues.

(SOURCES for glossary are Municipal Finance Officers Association, 1978b; Lubov, 1979; and Sher, 1979.)

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This publication is part of the Municipal Bonds series produced by the Western Rural Development Center. Other titles in the series include:

- What Determines Bond Costs
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December 1982 **WREP 62**

A Western Regional Extension Publication

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